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HOUGHTON MIFFLIN HARCOURT PUBLISHING
8 COMPANY

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CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
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BY: _____

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10 UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
11 EASTERN DIVISION

12 EDGE GAMES, LLC, a California
limited liability company,
13
14 Plaintiff,

15 vs.

16 HOUGHTON MIFFLIN HARCOURT
PUBLISHING COMPANY, a
Massachusetts corporation; and DOES 1-
10, individuals,

17 Defendants.

18 HOUGHTON MIFFLIN HARCOURT
PUBLISHING COMPANY, a
Massachusetts corporation,

20 Counterclaim-Plaintiffs,

21 vs.

22 EDGE GAMES, LLC, a California
limited liability company,

23 Counterclaim-Defendant.
24
25
26
27
28

Case No. CV13-02123 VAP (DTBx)

ANSWER, AFFIRMATIVE
DEFENSES, AND COUNTERCLAIM
OF HOUGHTON MIFFLIN
HARCOURT PUBLISHING CO.

DEMAND FOR JURY TRIAL

Action Filed November 19, 2013

BY FAX

ANSWER TO PLAINTIFF'S COMPLAINT

Defendant Houghton Mifflin Harcourt Publishing Company (“Defendant” or “HMH”) hereby responds to the Complaint filed by Edge Games, LLC (“Plaintiff” or “Edge”) as follows. Unless specifically admitted, all allegations in the Complaint are denied:

1. Paragraph 1 contains introductory comments and legal conclusions to which no response is required. To the extent it also contains factual allegations, HMH denies them.

2. Paragraph 2 contains introductory comments and legal conclusions to which no response is required. To the extent it also contains factual allegations, HMH denies them.

JURISDICTION AND VENUE

3. HMH admits that it conducts business within the state of California and denies that it maintains an office at 11276 5th Street, #100 in Rancho Cucamonga, California. The remainder of Paragraph 3 states legal conclusions to which no response is required.

4. Paragraph 4 contains jurisdictional allegations to which no response is required.

5. The first sentence of Paragraph 5 contains legal conclusions to which no response is required. To the extent it also contains factual allegations, HMH denies them. HMH admits that it has sold textbooks and related materials in its *ScienceFusion* program to institutional purchasers in this district; admits, on information and belief, that students and teachers have used those textbooks and related materials within this district; and denies the remaining allegations in the second sentence of Paragraph 5.

THE PARTIES

6. HMH admits, on information and belief, that Edge Games, LLC is a California Limited Liability Company. HMH lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 6.

7. HMH denies that it maintains an office at 11276 5th Street, #100 in Rancho Cucamonga, California, and admits the remaining allegations in Paragraph 7.

8. HMH denies that any subsidiaries or parent companies participated in the acts alleged in the Complaint.

GENERAL ALLEGATIONS

9. HMH admits, on information and belief, that Plaintiff owns U.S. Trademark Registration No. 3,370,535, issued January 15, 2008, for the trademark SCIENCE FUSION in International Class 028 for the following goods: "Educational games in the nature of board games, card games, electronic learning toys, and puzzles," and that a copy of the registration certificate is attached as Exhibit 1 to the Complaint, but asserts that the registration is subject to cancellation for abandonment and fraud. HMH denies the remaining allegations in Paragraph 9.

10. HMH lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 10.

11. HMH denies, on information and belief, that Plaintiff has used the trademark SCIENCE FUSION continuously in commerce since it first adopted the mark, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 11.

12. HMH lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 12.

13. HMH lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 13.

14. HMH admits that it sells textbooks and related materials under the program name *ScienceFusion* and denies the remainder of the first sentence of Paragraph 14. HMH admits the second sentence of Paragraph 14.

15. HMH admits that it offers textbooks and related materials in its *ScienceFusion* program for sale through its online website www.hmhco.com to purchasers who have institutional accounts, and that the textbooks and related materials in the *ScienceFusion* program include teachers' editions, "Deluxe Box" products, and "Picture Sorting Cards" for use by Kindergartners. HMH denies the remaining allegations in Paragraph 15.

FIRST CLAIM FOR RELIEF

Federal Trademark Infringement

15 U.S.C. § 1114

16. HMH realleges and incorporates by reference each of its responses to the previous paragraphs of the Complaint as though set forth in full at this point.

17. HMH denies Paragraph 17.

18. HMH denies Paragraph 18.

19. HMH denies Paragraph 19.

20. HMH denies Paragraph 20.

21. HMH denies Paragraph 21.

22. HMH denies Paragraph 22.

SECOND CLAIM FOR RELIEF

False Designation of Origin

15 U.S.C. § 1125(a)

23. HMH realleges and incorporates by reference each of its responses to the previous paragraphs of the Complaint as though set forth in full at this point.

24. HMH admits that it is using the title *ScienceFusion* for a program of textbooks and related materials, and denies the remaining allegations in Paragraph 24.

1 25. HMH denies Paragraph 25.

2 26. HMH denies Paragraph 26.

3 27. HMH denies Paragraph 27.

4 28. HMH denies Paragraph 28.

5 **THIRD CLAIM FOR RELIEF**

6 **Unfair Competition**

7 **Cal. Bus. & Prof. Code § 17200**

8 29. HMH realleges and incorporates by reference each of its responses to
9 the previous paragraphs of the Complaint as though set forth in full at this point.

10 30. HMH denies Paragraph 30.

11 31. HMH denies Paragraph 31.

12 32. HMH denies Paragraph 32.

13 **FOURTH CLAIM FOR RELIEF**

14 **False Advertising**

15 **15 U.S.C. § 1125(a)(1)(B)**

16 33. HMH realleges and incorporates by reference each of its responses to
17 the previous paragraphs of the Complaint as though set forth in full at this point.

18 34. HMH admits that it is using the title *ScienceFusion* in connection with
19 advertising a program of textbooks and related materials, and denies the remaining
20 allegations in Paragraph 34.

21 35. HMH denies Paragraph 35.

22 36. HMH denies Paragraph 36.

23 37. HMH denies Paragraph 37.

24 38. HMH denies Paragraph 38.

25 **PRAYER FOR RELIEF**

26 HMH denies that Plaintiff is entitled to the relief requested in Paragraphs 1-4
27 of its prayer for relief or any other relief whatsoever.
28

AFFIRMATIVE DEFENSES

Without conceding that any of the following defenses necessarily must be pleaded as an affirmative defense or is not already at issue by virtue of the foregoing responses to Plaintiff's allegations, HMH hereby asserts the following defenses. HMH reserves the right to add to or amend its defenses further as additional information is developed through discovery or otherwise.

FIRST AFFIRMATIVE DEFENSE

The Complaint, or one or more of the counts set forth therein, fails to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

Plaintiff lacks capacity to conduct this litigation.

THIRD AFFIRMATIVE DEFENSE

Plaintiff has abandoned any and all trademark rights that it may have had in the SCIENCE FUSION mark.

FOURTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, by fraud on the U.S. Patent and Trademark Office.

FIFTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred by the equitable doctrines of laches, waiver, estoppel, and/or acquiescence.

SIXTH AFFIRMATIVE DEFENSE

Plaintiff cannot show irreparable injury, and therefore is not entitled to injunctive relief.

COUNTERCLAIM

For its Counterclaim against Plaintiff, HMH states as follows, based on knowledge with respect to its own actions and on information and belief as to the actions of others:

PARTIES

1. Counterclaim-Plaintiff Houghton Mifflin Harcourt Publishing Company is a Massachusetts corporation with its principal place of business in Boston, Massachusetts.

2. On information and belief, Counterclaim-Defendant Edge Games LLC is a California limited liability company with a registered address in Lakeport, California.

JURISDICTION AND VENUE

3. This Court has jurisdiction over the Counterclaim pursuant to 28 U.S.C. §§1331 and 1338 as it arises under the Lanham Act, 15 U.S.C. §1051 et seq., as amended, and pursuant to principles of supplemental jurisdiction. Venue of the Counterclaim is proper in this judicial district pursuant to 28 U.S.C. §§ 1391(b) and (c).

FACTS

4. On information and belief, between January 15, 2008 and July 3, 2013, Edge stopped using the SCIENCE FUSION mark in commerce, with intent not to resume such use.

5. On July 3, 2013, Edge filed with the U.S. Patent and Trademark Office a Combined Declaration of Continued Use and Incontestability under Sections 8 & 15 of the Lanham Act in connection with U.S. Trademark Registration No. 3,370,535 (the "'535 registration"). In this declaration, Tim Pelzel, Edge's manager, attested under penalty of perjury that the SCIENCE FUSION mark had "been continuously used in commerce for five (5) consecutive years after the date of registration," i.e. January 15, 2008.

6. On July 18, 2013, the U.S. Patent and Trademark Office issued a Notice of Acknowledgement Under Section 15 in connection with the '535 registration, stating that the Declaration of Incontestability filed for the registration met the

1 requirements of Section 15 of the Trademark Act, 15 U.S.C. § 1058, and
2 acknowledging the declaration.

3 7. On information and belief, Mr. Pelzel's statement in the Combined
4 Declaration of Continued Use and Incontestability that the SCIENCE FUSION mark
5 had "been continuously used in commerce for five (5) consecutive years after the
6 date of registration" was false.

7 8. On information and belief, Mr. Pelzel knew that his statement in the
8 Combined Declaration of Continued Use and Incontestability regarding continuous
9 use of the SCIENCE FUSION mark was false when he made it on July 3, 2013.

10 9. Edge's false statement to the U.S. Patent and Trademark Office in the
11 Combined Declaration of Continued Use and Incontestability was material. If it had
12 not been made, the U.S. Patent and Trademark Office would not have accepted the
13 Combined Declaration of Continued Use and Incontestability, and Edge would not be
14 able to claim incontestable status for the '535 registration.

15 **FIRST CLAIM FOR RELIEF**

16 **(Cancellation of Trademark Registration, Lanham Act §§ 14 and 37)**

17 10. HMH realleges and incorporates by reference each of the allegations set
18 forth in the previous paragraphs of the Counterclaim as though set forth in full at this
19 point.

20 11. Edge has abandoned whatever trademark rights it may have had in the
21 designation SCIENCE FUSION.

22 12. Edge committed fraud on the U.S. Patent and Trademark Office when it
23 submitted its Combined Declaration of Continued Use and Incontestability stating
24 that the SCIENCE FUSION mark had "been continuously used in commerce for five
25 (5) consecutive years after the date of registration."

26 13. HMH has been and will continue to be damaged by the presence on the
27 Principal Register of the U.S. Patent and Trademark Office of the '535 registration,
28

1 because Edge relies on that registration and its alleged incontestable status to assert
2 its trademark infringement claim against HMH.

3 14. The '535 registration is subject to cancellation pursuant to Section 14 of
4 the Lanham Act, 15 U.S.C. § 1064, because Edge has abandoned the mark that it
5 describes and because Edge committed fraud on the U.S. Patent and Trademark
6 Office in connection with that registration.

7 15. Accordingly, the Court should order cancellation of the '535 registration
8 pursuant to Section 37 of the Lanham Act, 15 U.S.C. § 1119.

9 **PRAYER FOR RELIEF**

10 WHEREFORE, having answered Plaintiff's Complaint and asserted
11 affirmative defenses and a Counterclaim, HMH asks that the Court grant the
12 following relief:

13 A. Dismissing Plaintiff's Complaint with prejudice, and without Plaintiff
14 taking anything thereby;

15 B. Ordering the Under Secretary of Commerce for Intellectual Property and
16 Director of the United States Patent and Trademark Office to cancel U.S. Trademark
17 Registration No. 3,370,535;

18 C. Awarding HMH its reasonable attorneys' fees and costs incurred in this
19 action;

20 D. Granting such other and further relief as the Court deems just and
21 proper.

22 DATED: December 16, 2013

23 DAVIS WRIGHT TREMAINE LLP
24 SEAN M. SULLIVAN
25 STUART R. DUNWOODY

26 By: 

27 Sean M. Sullivan

28 Attorneys for Defendant and Counterclaim-
Plaintiff HOUGHTONMIFFLIN HARCOURT
PUBLISHING COMPANY

JURY DEMAND

For all jury-triable issues, Defendants hereby request a trial by jury pursuant to Rule 38 of the Federal Rules of Civil Procedure.

DATED: December 16, 2013

DAVIS WRIGHT TREMAINE LLP
SEAN M. SULLIVAN
STUART R. DUNWOODY

By: 

Sean M. Sullivan

Attorneys for Defendant and Counterclaim-
Plaintiff HOUGHTON MIFFLIN HARCOURT
PUBLISHING COMPANY

PROOF OF SERVICE

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is Davis Wright Tremaine LLP, 865 South Figueroa Street, Suite 2400, Los Angeles, California 90017-2566.

On December 16, 2013, I served the following document(s) described as:

ANSWER, AFFIRMATIVE DEFENSES, AND COUNTERCLAIM OF HOUGHTON MIFFLIN HARCOURT PUBLISHING CO.; DEMAND FOR JURY TRIAL

on the interested parties in this action as stated below:

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☒ (BY ELECTRONIC MAIL) I caused such documents to be transmitted via electronic mail to the offices of the addressee(s) at the listed electronic mail address(es).

Executed on December 16, 2013, at Los Angeles, California.

☒ Federal I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct and that I am employed in the office of a member of the bar of this Court at whose direction the service was made.

Dee Keegan
Print Name


Signature